

## Message Text

SECRET

PAGE 01 LONDON 18677 141648Z  
ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 ERDA-05 AID-05  
CEA-01 CIAE-00 COME-00 DODE-00 FEAE-00 FPC-01  
H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01  
PM-05 USIA-06 OES-07 SP-02 SS-15 STR-05 TRSE-00  
ACDA-12 CTME-00 /130 W  
-----120722 141818Z /43

P R 141548Z NOV 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 0307  
INFO AMEMBASSY BONN  
AMEMBASSY ROME  
AMEMBASSY BRUSSELS  
AMEMBASSY OTTAWA  
AMEMBASSY MADRID  
AMEMBASSY THE HAGUE  
AMEMBASSY STOCKHOLM  
AMEMBASSY CANBERRA  
AMEMBASSY TOKYO  
USMISSION USUN NEW YORK

S E C R E T LONDON 18677

E.O. 11652: GDS  
TAGS: ENRG OPEC UK  
SUBJECT: DEMARCHES TO OPEC ON OIL PRICE QUESTION

REF: (A) STATE 271013; (B) LONDON 18578

1. EMBASSY OFFICER DELIVERED MESSAGE IN REFTEL A TO HANNAY AT FOREIGN OFFICE WHO, DESPITE INDICATION REPORTED REFTEL B THAT HMG'S OFFICIAL RESPONSE TO OUR NOVEMBER 9 APPROACH MIGHT BE FORTHCOMING TODAY, SAID IT WOULD STILL TAKE "SOME DAYS" BEFORE RESPONSE IS CLEARED AND COMMUNICATED IN WASHINGTON. WE URGED THAT HMG CONSIDER MAKING A PROMPT APPROACH TO OPEC PRODUCERS.

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2. HANNAY SAID THUS FAR HMG HAD PERCEIVED NO SUBSTANTIAL DIFFICULTIES WITH THE NOVEMBER 9 MESSAGE FROM SECRETARY VANCE, HAD AGREED WITH MOST OF THE ECONOMIC ANALYSIS, AND WOULD CAREFULLY CONSIDER OUR LATEST REQUEST FOR A PROMPT APPROACH TO PRODUCERS. THEY DID, HOWEVER, NOTE THAT THE EXPRESSION "PRICE FREEZE" WAS

USED IN THE SECRETARY'S MESSAGE, WHEREAS THE UK WOULD PREFER "NO INCREASE ON THIS OCCASION." WE SAID WE SAW LITTLE DIFFERENCE. HANNAY SAID "FREEZE" SUGGESTS A PERIOD WHICH MUST HAVE AN END, WHEREAS "ON THIS OCCASION" ATTRACTS LESS LONG-RANGE ATTENTION. IN ANY EVENT, HE FELT IT UNREALISTIC TO EXPECT OPEC TO FREEZE PRICES FOR A FULL YEAR.

3. IN ADDITION, HANNAY SAID THE U.S. TEXT OF NOVEMBER 9 SEEMED TO PARTICIPATE IN A DIALOGUE ON INDEXATION OF OIL PRICES. WHILE RECOGNIZING THAT THE TEXT REJECTED THE IDEA OF INDEXATION, HE FELT THAT IT MIGHT BE WISE TO AVOID REFERENCE TO PRICE OR CURRENCY INDEXATION ALTOGETHER.

STTREATER

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OILS, DEMARCHE, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 14-Nov-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON18677  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Page Count:** 2  
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**Reference:** 77 STATE 271013, 77 LONDON 18578  
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**Status:** NATIVE  
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**TAGS:** ENRG, UK, OPEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009